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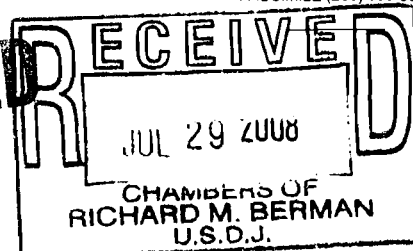
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DATE FILED: 7/31/08

MEMO ENDORSED



July 29, 2008

BY HAND

Honorable Richard M. Berman
 United States District Judge
 Daniel Patrick Moynihan
 United States Courthouse
 500 Pearl Street, Room 650
 New York, NY 10007

Our Ref: 537-07/PJG

Re: Phoenix Bulk Carriers
 v. Unicarb and Dynalco
 07 Civ. 10404 (RMB)

SO ORDERED:

7/30/08

Richard M. Berman
 Richard M. Berman, U.S.D.J.

07CV10404

Dear Judge Berman,

We represent the Plaintiff in the captioned action and write to provide the Court with a brief status report on the matter.

By way of background, the claim involves a breach of charter and attachment was issued pursuant to Rule B seeking security for the claim. There was a challenge raised to that attachment which was denied earlier this year. The claim on the merits is being prosecuted in London Arbitration and we are advised by the clients that settlement negotiations are underway regarding a possible overall resolution. We are awaiting word on whether the claim will be resolved on an amicable basis, and if so, it would enable us to dismiss the action in New York.

July 29, 2008

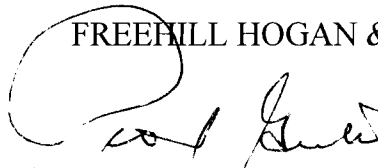
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Provided the Court has no objection, we would propose to report to the Court again on the status of the matter no later than the end of September, 2008 should the matter not be resolved and dismissed in the interim.

We appreciate the Court's attention to the foregoing.

Respectfully submitted,

FREEHILL HOGAN & MAHAR LLP

A handwritten signature in black ink, appearing to read "Peter J. Gutowski", is written over the firm name.

Peter J. Gutowski

PJG:clc

cc: Via Email
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